

Board of Accountancy
Sunset Public Hearing Questions

1. Provide a brief introduction to the board, including information about its purpose, statutory duties, staff, and administrative attachment.

Response:

The Tennessee State Board of Accountancy is established by *Tennessee Code Annotated* § 62-1 et seq. and is cited as the “Tennessee Accountancy Act of 1998.” The statute has been changed from time to time by the General Assembly with the most recent significant change occurring in 2007 with the establishment of the Mobility Statute. This statute allows actively licensed accountants from other jurisdictions to provide accounting services to Tennessee clients without the necessity of obtaining a Tennessee license as long as they do not establish a physical presence in this state. Mobility laws are in place in forty-eight (48) of the licensing jurisdictions and provide for ease of practice across state lines.

The Tennessee Board of Accountancy was established to ensure that citizens relying on services provided by licensed Certified Public Accountants can be assured that the CPA has been determined by education, testing and experience to have the competence to provide reliable accounting services. In order to ensure such competency, the Board is directed by statute to perform, at a minimum, the duties described in T.C.A. § 62-5-105:

- Establish a meeting schedule and select officers;
- Adopt rules, keep records of meetings and complaints received along with resolution of such complaints;
- Hire an executive director who will procure needed staff;
- Determine Board’s expenditures for all equipment, participation in activities of National Association of State Boards of Accountancy (“NASBA”) and other needed supplies or services;
- Establish a budget relative to fees received;
- Maintain security for all records and files;
- Implement policies and procedures;
- Establish licensure requirements including education and experience;
- Join professional organizations and associations which improve the standards of practice for accounting and protect the public;
- Review complaints and assess discipline when warranted including fines, additional education and sanctions against a license; and
- Respond to all inquiries from citizens.

In order to ensure licensing, complaint follow-up and response to public requests, the Board has selected a staffing pattern that includes the following:

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Executive Director – works with and supports the Board Members as well as supervises the daily operations of the Board office;
Investigators – two investigators to investigate complaints across the State; (one position currently filled, the other pending)
Regulatory Board Administrative Assistants – three positions which work with CPA licensees, with CPA firms, and to provide office management and support;
Administrative Assistant – performs education audits, teaches ethics courses and reviews courses submitted for evaluation; and
Administrative Secretary – assists the Executive Director, maintains correspondence and interacts with callers and visitors.

The Tennessee State Board of Accountancy is administratively attached to the Division of Regulatory Boards housed in the Department of Commerce and Insurance. However, as indicated in Question 19, the Attorney General has opined that T.C.A. § 62-1-105 implicitly repeals §§ 56-1-302 and 4-3-1304 as they relate to the Board of Accountancy. Therefore, all expenditures of the Board of Accountancy are subject to review and approval of the Commissioner of Finance and Administration.

2. Provide a list of current members of the board and explain how membership complies with Section 62-1-104 *Tennessee Code Annotated*. Are there any vacancies on the board? If so, what steps have been taken to fill the vacancies? Has the Governor under the authority granted in Section 62-1-104(c)(5), *Tennessee Code Annotated*, “removed any members for neglect of duty or other just cause?”

Response:

Current Board members are:

Blaufuss, William F., Jr., CPA
Brewer, James Troy, CPA
Brundige, Jennifer L., Esq.
Cozart, R. Kenneth, CPA
Raybon, Shannone E., Esq.
Royston, Charles D., CPA
Sawyer, Stanley B., CPA
Stickel, Lisa M., CPA
Stuart, Casey M., CPA
Warren, Douglas E., CPA
Watkins, William H., III, CPA

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Per statute, nine members of the Board are to be Certified Public Accountants holding a certificate issued by this Board and living in the State of Tennessee. Three of the CPAs are to be from each of the Grand Divisions of the State. The breakdown is as follows:

West Tennessee:

Cozart, R. Kenneth, CPA – Brownsville, Tennessee
Sawyer, Stanley B., CPA – Memphis, Tennessee
Watkins, William H., III, CPA – Memphis, Tennessee

Middle Tennessee:

Blaufuss, William F., Jr., CPA – Nashville, Tennessee
Brewer, James Troy, CPA – Nashville, Tennessee
Stickel, Lisa M., CPA – White House, Tennessee

East Tennessee:

Royston, Charles D., CPA – Kingsport, Tennessee
Stuart, Casey M., CPA – Chattanooga, Tennessee
Warren, Douglas E., CPA – Sweetwater, Tennessee

One member of the Board is to be an attorney licensed to practice in the highest court of the State.

Attorney Member:

Raybon, Shannone E., Esq. – Franklin, Tennessee

One member of the Board is to be a public member possessing expertise in one or more significant portions of the Board's regulated activities.

Public Member:

Brundige, Jennifer L., Esq. – Nashville, Tennessee

Neither the attorney member nor the public member shall hold a license to practice as a certified public accountant.

There are no vacancies on the Board at this time, and no member has been removed by the Governor for any cause.

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3. Does the board's membership include public/citizen members? Female members? Members of a racial minority? Members who are 60 years of age or older?

Response:

The Board does have a public member. Ms. Jennifer L. Brundige, Esq. serves in that capacity.

The Board has three (3) female members:

Brundige, Jennifer L., Esq.
Raybon, Shannone E., Esq.
Stickel, Lisa M., CPA

The Board does include members of a racial minority:

Raybon, Shannone E., Esq.
Sawyer, Stanley B., CPA

The Board has 3 members who are 60 years of age or older:

Blaufuss, William F., Jr., CPA
Cozart, R. Kenneth, CPA
Royston, Charles D., CPA

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4. How many times did the Board meet in fiscal years 2010 and 2011, and how many members were present at each meeting?

Response:

The Board of Accountancy met four (4) times in fiscal 2010 and four (4) times in fiscal 2011.

Board Meeting Date

Number of Members Present

July 2009	11
October 2009	10
January 2010	7
April 2010	10

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July 2010	10
October 2010	10
January 2011	9
May 2011	10

5. What per diem or travel reimbursement do board members receive? How much was paid to board members during fiscal years 2010 and 2011?

Response:

Board members receive a stipend of \$50.00 per day of service. They are reimbursed for travel expenses incurred up to \$120.00 plus taxes per night for lodging, mileage at the current reimbursement rate, and parking (up to \$8.00 per day without a receipt – for any amount with a receipt). In addition, since this Board is active in NASBA, we also incurred expenses for participation in those meetings. Board Members are reimbursed for travel and per diem when attending those conferences or committee meetings.

Total Stipend Paid to Board Members in Fiscal 2010 and 2011: \$7,700.00

Total Reimbursements Paid to Board Members in Fiscal 2010 and 2011: \$29,176.31

6. What were the Board's revenues (by source) and expenditures (by object) for fiscal years 2010 and 2011? If revenues did not exceed expenditures during the two-year period, as required by Section 4-29-121, *Tennessee Code Annotated*, what actions has the board taken to achieve self-sufficiency?

Response:

This Board operates with a net surplus. The figures presented for Fiscal 2011 are not final numbers, but are presented as of the 'First Close.' The Executive Director of the Board maintains financial information which is presented to the Board at every meeting for review and discussion.

See the Attached Spreadsheet labeled "Financial Information."

7. Is the board subject to Sunshine law requirements (Section 8-44-101 et seq., *Tennessee Code Annotated*) for public notice of meetings, prompt and full recording of minutes, and public access to minutes? If so, what procedures does

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the board have for informing the public of meetings and making minutes available to the public?

Response:

The Tennessee State Board of Public Accountancy is subject to the Sunshine law requirements.

Meeting notices are published on the Board's website, and the Board meeting schedule is discussed when staff make presentations to the licensees. Board meetings are recorded using video recording equipment, and the meetings are available for viewing on the Board's website. In addition, minutes are transcribed and are available in the Board office for review after being approved and signed at the subsequent Board meeting.

8. Please describe what policies and procedures the board has in place to address potential conflicts of interest by board members, staff and employees.

Response:

Board members review and sign Conflict of Interest forms on an annual basis. Staff also reviews and signs Conflict of Interest forms on an annual basis.

9. What were the board's major accomplishments during fiscal years 2010 and 2011?

Response:

The Tennessee State Board of Accountancy has been very active the last couple of years trying to streamline operations and ensure that all of our information is accurate and accessible. We have also been active in keeping our board and our laws and rules current with the ever-changing accounting profession. Following are just a few of the accomplishments of the last two years.

- a. Tennessee has been a leader in promoting the ALD (Accounting Licensing Database) that is being housed at NASBA offices here in Nashville. The Executive Director of the Board sits on the ALD Committee which was formed to create a database which includes information on every CPA licensed in the United States. This database will be able to link information from every participating board of accountancy so that a request for information on an individual CPA can be input at one location and the user will be able to determine in which jurisdictions the individual is licensed –

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and the status of each license. Currently, in order to determine all jurisdictions in which an individual holds a license, the websites of all jurisdictions must be researched individually. This will be a great assistance to regulators – and eventually – to the public.

- b. The Board began requiring ethics education in 2007. The current rule is that every CPA must have 4 hours of ethics education each renewal period (every two years). Of those 4 hours, at least one hour must be State Specific Ethics Education. Board staff developed a course which we now teach across the State to groups of CPAs, and which has been very successful. We have three individuals on staff who make those presentations: the Executive Director, the Investigator, and the Education Coordinator. In 2010, we made 33 presentations to 580 professionals. In 2011, we made 39 presentations to 1,743 professionals. In addition, the Executive Director developed an outreach program for students and has been successful in reaching the future professionals in colleges and universities through out the state. We made 5 presentations to 147 students in 2010 and 3 presentations to 87 students in 2011.
- c. Board staff have also made considerable progress in locating licensees who were in an ‘expired’ status. We have made more of an effort to contact our Delinquent licensees and encourage them to either renew their license before the expiration date, or to close it properly so that it can be protected. In 2009 we had approximately 3800 expired licensees with approximately 350 additional expiring each year. If you will note on the License Status Count spreadsheet, we now have only 2,848 that are in an expired status. We have assumed more responsibility in tracking down our licensees and making an effort to stay in contact.
- d. The number of complaints has also been steadily decreasing. As of 30 September 2011, we had only six (6) complaints that were in investigations, and the oldest of those complaints was four (4) months old. Considering the complexity of the cases, this is a significant accomplishment!
- e. The Board has been successful in negotiating the hiring of another Investigator so that the Board may be ‘proactive’ instead of ‘reactive’ in regard to uncovering activities which may result in disciplinary action. This will be the first time in the history of the Board that more than one investigator has been employed and we are excited about the prospects and the impact on regulation of the accounting profession.

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10. How many applications for certification as a certified public accountant did the board receive during each fiscal year of 2010 and 2011? Of those, how many certificates were granted? How many were denied and what were the primary reasons for denial? How many certificates were suspended or revoked during the

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same period? Please provide a table of the number of persons currently licensed or certified by the board by the type of license or certification.

Response:

Fiscal 2011:

Applications Received:	491
Certificates Granted:	490
Applications Denied:	1
Reason for Denial:	Felony Conviction
Licenses Suspended:	1
Licenses Revoked:	2

Fiscal 2010:

Applications Received:	473
Certificates Granted:	473
Applications Denied:	0
Reason for Denial:	
Licenses Suspended:	0
Licenses Revoked:	4

For table of licenses regulated by this Board, see Attached Spreadsheet labeled "License Status Counts." This information is presented as of 30 September 2011.

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11. How many applications for permits to practice as a CPA firm or PA firm did the board receive during each fiscal year of 2010 and 2011? Of those, how many permits were granted? How many were denied and what were the primary reasons for denial? How many permits were suspended or revoked during the same period? Please provide a table of the number of firms registered by the board by the type of permit.

Response:

The Tennessee State Board of Accountancy issues only one type of permit and that is for CPA firms. There are no longer PA firms registered with the Board.

In FY 10 the Board received 96 applications for CPA firms and all were approved.

In FY 11 the Board received 111 applications for CPA firms and all were

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approved.

No CPA Firms were suspended in either FY 10 or FY 11. One firm was revoked in FY 11 when the owner/resident manger was convicted of and incarcerated for fraud following implementation of a Ponzi Scheme.

Table of CPA Firms

Type of Firm	Active as of 9/21/11	Closed as of 9/21/11*
CPA	2002	1532

Closed firms may be reactivated upon submission of appropriate and current application

12. Describe the peer review program required by Section 62-1-201, *Tennessee Code Annotated*. Provide information on the number of firms in compliance and what disciplinary actions have been taken against firms not in compliance.

Response:

The Peer Review Program was designed as an educational tool to assist firms in ensuring that engagements were conducted at the highest level of accuracy and compliance. The current program is administered by the Tennessee Society of Certified Public Accountants. This program is extremely confidential, and the Board and the Board staff do not have access to the results of the peer reviews. We only receive confirmation that a firm is actually enrolled in the program, and the date of the last review performed. We are notified when a firm enrolls in the program or when a firm is dropped from the program.

There are two levels of peer review: off-site or on-site. An off-site peer review is utilized for a firm doing only compilations and/or reviewed financial statements. In an off-site peer review, the firm being reviewed provides a list of all engagements conducted since the last peer review to the reviewer. The reviewer selects a sample of the financial statements to review, and the firm mails those reports to the reviewer. The reviewer has a checklist and program which he/she utilizes to analyze those statements and prepares a report on format and composition. That report is taken to the Review Acceptance Body (RAB) of the Tennessee Society of CPAs and reviewed. If there are only minor deficiencies noted, then an Acceptance Letter for the review is then sent to the firm being reviewed and the firm is asked to ensure that future reports are brought into compliance as indicated in the findings. If there are major deficiencies noted, then the firm being reviewed may be required to complete additional education, complete an accelerated peer review or submit to a pre-issuance review before the next set of financial statements is released.

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An on-site peer review is mandatory when an audit is performed by the firm. A reviewer will come to the firm and select a sample of audit work papers to analyze in a more in-depth review. The process is the same as for an off-site review after completion of the analysis.

A firm is in compliance as long as it is enrolled in a peer review program. A peer review is required every three years, and since it is a learning initiative, a firm is not penalized for having errors. The firm is given time to correct mistakes, and is only considered out of compliance if it is dropped from the program. A firm may be dropped from the program for failing to correct errors or for failure to have a peer review performed in a timely manner.

There are approximately 994 firms enrolled in the peer review program at this time.

No disciplinary action has been taken against a firm as a result of peer review.

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13. A finding in the last performance audit of the board in September 2007 found, “The State Board of Accountancy needs to expedite complaint processing.” The audit noted that the board was, on average, taking 262 days to complete investigations on complaints while the standard time set by the Division of Regulatory Boards was 30 days. The audit also noted the board was taking, on average, 398 days to resolve complaints while the standard set by the division was 180 days. Please provide a table of the number of complaints received during fiscal years 2010 and 2011 by type of complaint and status of complaint. What is the average length of time needed for the board to investigate a complaint and to close a complaint case? At what point is a complaint case closed?

Response:

The licensees of this Board are educated professionals who are proud of their accomplishments and rigorously defend themselves against allegations of wrong-doing. Complaints investigated by this Board usually involve interviewing the Respondent, the Complainant, sometimes third parties, and will usually involve review of work product of some sort. The standard set by the division did not attempt to accommodate the complexity of the cases encountered in the Board of Accountancy, and certainly were not mandated with consideration of the fact that this Board only meets quarterly. If a complaint misses being presented at a Board meeting, then it will be at least ninety (90) days before it could be presented again.

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It is notable also that many of the complaints get to the Legal Department and then cannot be moved forward due to other inherent limitations. The Board may process the complaint timely, finish the investigation in a timely manner, and then return the case to Legal for presentation to the Board for disposition. However, if the charges are egregious enough or if the case cannot be settled through a Consent Order, then the Respondent is summoned to a Formal Hearing. These hearings are scheduled depending upon the availability of a State prosecutor and an Administrative Law Judge. The Department has recognized this issue and recently authorized the formation of a “Litigation Team” to handle all formal hearings for the regulatory boards. Prior to this, the staff attorney had to prosecute the cases and there simply was not enough time in the day for the cases to be properly prepared and presented. Creation of the Litigation Team has definitely improved the availability of a prosecutor, but now the availability of the Administrative Law Judge has become an issue. There is also the difficulty of actually scheduling the hearings. Each hearing may take one – three hours, depending upon the subject matter, whether or not the case is contested, and whether or not the Respondent employs an attorney. This limits the number of formal hearings that this Board can entertain at one meeting to three, possibly four. However, due to the backlog of cases from prior years and before the introduction of the Litigation Team, this Board now has thirty-eight (38) cases that are scheduled for hearing. This Board heard two cases at its meeting in July and convened a special meeting in September to hear another four cases. That leaves thirty-two cases to hear, and at four per meeting (which is highly unlikely), with four meetings per year, we are scheduling hearings on current complaints two years out.

In order to speed the process along, the Board has voted to allow an Administrative Law Judge to rule on certain types of complaints, i.e. CPE Audit Failures and Professional Privilege Tax complaints. In these cases the Board does not have to be present and the case is presented to the Judge for ruling. In addition, this Board has expressed a willingness to convene special meetings in order to hear cases, but again, the issue is the availability of the Administrative Law Judge.

Realistically, the time needed to properly investigate a complaint that may include allegations of financial mismanagement may take 60 – 90 days. The time to close a complaint should run about 270 days. A complaint is considered opened when it is received and logged into the system. It is considered closed when the ‘Closure Memo’ is received from our Legal Department. Please note that the July 29, 2011 Board meeting was referenced previously as one at which formal hearings were conducted. As of this date those cases have not yet been closed and are still in the legal system.

As a final point, the Board has authorized the hiring of an additional Investigator in order to process our complaints even more quickly. This Board has had only one investigator to cover the entire State of Tennessee. We have acknowledged that this is simply too

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much work for one individual and will be adding the second investigator within the month.

For statistical data, please see attached spreadsheet "Complaint Information."

14. What steps has the board taken to increase consumer awareness of the board as a mechanism to respond to consumer complaints and regulate members of the accounting profession in Tennessee? Describe coordination between the board and the Department of Commerce and Insurance to ensure compliance with Section 56-1-302(a)(9)(A), *Tennessee Code Annotated*, which required the department to issue a monthly press release containing a disciplinary report which shall list all disciplinary actions taken by each [regulatory] board during the prior month."

Response:

The Department publishes a Disciplinary Action Report on its website on a monthly basis. The Board of Accountancy reports our actions on our website as well as forwarding information to the Department to be included on their website. In addition, when the staff makes presentations to the profession, information concerning disciplinary actions is included. As an additional step, the Board of Accountancy also notifies other government agencies, professional associations, and local Better Business Bureaus and Chambers of Commerce when a disciplinary action is taken against one of our licensees so that the public will be aware of the activity.

15. Has the board entered into any reciprocal agreements with other states as authorized by Section 62-1-117, *Tennessee Code Annotated*? If so, please provide specifics. Have any such agreements been planned but not yet accomplished?

Response:

Section 62-1-117, *Tennessee Code Annotated* is the section authorizing mobility of licensees to practice across state lines. Tennessee has enacted one of the more liberal "mobility" laws in that we now allow an individual who holds a valid license in another state, to come to Tennessee and offer to perform accounting services without having to secure licensure here. We also allow firms to come into Tennessee and operate without having to obtain a license, permit or provide any other type of notification to this Board. This law incorporates "No Notice, No Fee, No Escape," in that individuals and firms having valid licensure in another state may practice in Tennessee without notifying this

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Board, without payment of any kind to this Board, but acknowledging that while operating in Tennessee they are subject to the laws and rules as enforced by this Board. The accounting profession is attempting to make a license to practice public accountancy much like a driver's license, so that professionals can cross state lines to perform services easily and without excessive 'red tape.' However, if the visitor violates the laws and rules of Tennessee, then they are subject to disciplinary action by this Board and by the Board of their home license.

Tennessee determines whether or not a CPA needs a license to practice from this Board based on physical presence. If a CPA has a residential address or an employment address (permanent) in Tennessee, then the individual will need to hold a license issued by this Board in order to perform accounting services in the State of Tennessee.

16. What procedures does the board use to ensure security over examination questions, grade postings, and unissued or blank certificates?

Response:

The Board does not have access to examination questions or the grades earned on the examination. We contract with CPA Examination Services, a subsidiary of NASBA to provide the examination for applicants in the State of Tennessee. We do not accept applications to sit for the exam or any payments for the exam. That is all handled by third parties. The Board does not receive any revenue from the administration or grading of the examination.

All of our blank wall certificates are numbered and maintained in a locked file cabinet. We issue these certificates to a calligrapher who prepares the individual certificates from a list provided to her by the Board's Licensing Coordinator. When certificates are issued to the calligrapher, those numbers are recorded and each certificate must be accounted for when the calligrapher returns the completed product. Any certificates on which errors were made are destroyed by the office staff.

17. What reports does the board prepare concerning its activities, operations and accomplishments? Who receives copies of those reports? Please attach copies of any such reports issued during fiscal years 2010 and 2011.

Response:

The Board of Accountancy does not prepare any reports per se. We will be glad to provide any type of reporting to the Committee that it would like to receive.

18. Has the board promulgated rules as authorized in Section 62-1-105(e), *Tennessee Code Annotated*? If so, please cite the reference.

Response:

The Board has revised Rule 0020-2-.02(1)(b)(3). This change became effective on 05 July 2011.

The Board also conducted a Rulemaking Hearing at the meeting on 06 May 2011. These rule changes were approved by the Board and are currently in the Office of the Attorney General for review. The rules affected are:

Rule 0020-01-01
Rule 0020-01-04
Rule 0020-01-06
Rule 0020-01-08
Rule 0020-01-13
Rule 0020-02-02
Rule 0020-03-16
Rule 0020-05-03
Rule 0020-05-04
Rule 0020-06-04

19. A finding in the last performance audit of the board in September 2007 found, “Without statutory authority, the State Board of Accountancy is being required by the Department of Commerce and Insurance to submit board expenditures to the department for approval.” The department did not concur in the finding, referring to TCA 56-1-302 as authority for their actions. The auditors, however, cited an opinion by the Tennessee Attorney General in which the Attorney General opined that “*Tennessee Code Annotated* Section 62-1-105 implicitly repeals Sections 56-1-302 and 4-3-1304 as they relate to the Board of Accountancy.” Where does that issue between the department and the board rest today?

Response:

The Department of Commerce and Insurance appears to be passing our requests for payment of expenditures on through to the Department of Finance and Administration. There has been an occurrence when a request for travel was delayed somewhat, but that may have been an administrative error and overall the Board believes that the Department is moving requests along to Finance and Administration.

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The Board of Accountancy approves and adopts a budget each fiscal year as prepared by the Executive Director in accordance with Section 62-1-105 of *Tennessee Code Annotated*. As specified in the statute, the budget is sent to the Department of Commerce and Insurance and to the Department of Finance and Administration. We have not received any feedback from Finance and Administration regarding the budget as approved. However, at the Board meeting on 28 January 2011, the Board voted (unanimously) to give the Executive Director a salary increase of 5%. This was communicated to Commerce and Insurance, but a verbal response was given by the Assistant Commissioner of Regulatory Boards that the salary increase had been denied by Finance and Administration. The Assistant Commissioner indicated that he would pursue it further. When he was unsuccessful, the Board Chair sent a memorandum to Finance and Administration requesting that the 5% salary increase be authorized and that a written response be returned. No response was ever received from Finance and Administration, and the salary increase was not awarded.

The Board then requested an opinion from the Attorney General on the issue. The Attorney General opined that the Board has the authority to establish compensation and authorize salary increases, but expenditures of the Board are subject to approval by the Commissioner of Finance and Administration pursuant to the annual budget as approved by Finance and Administration. When Finance and Administration approves the budget, then any expenditures accounted for in that budget are implicitly approved. However, with no approval (and no refusal to approve as well), then the board is severely handicapped in being able to carry out its duties and responsibilities.

20. Please provide a breakdown of current board staff by title, ethnicity, and gender.

Response:

Executive Director:	Caucasian	Male
Investigator:	Caucasian	Male
Investigator:	Vacant	
ASA IV:	Caucasian	Female
AARB III:	Caucasian	Female
AARB II:	Caucasian	Female
AARB II:	Vacant	

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AARB I: Caucasian Female

21. Please list all board contracts, detailing each contractor, the services provided, the amount of the contract, and the ethnicity of the contractor/business owner.

Response:

The Board of Accountancy only has four contracts at this point in time.

1. CPAES (CPA Examination Services)
2. David Curbo, CPA
3. Tracy Thomas, CPA
4. Charles Millsaps, CPA

The contract with CPAES is for the administration of the CPA Exam. This contract is a flow-through contract, as the payments from candidates for the exam go directly to CPAES. The State of Tennessee does not receive nor pay any money for this contract.

The contracts with Mr. Curbo, Mr. Thomas and Mr. Millsaps are for them to serve on the Peer Review Oversight Committee. These contracts were written for a two (2) year period at \$25,000.00 each (\$12,500.00 per individual per year). All three men are Caucasians.

22. Describe any items related to the board that require legislative attention and your proposed legislative changes.

Response:

No changes are proposed at this time.

23. Should the board be continued? To what extent and in what ways would the absence of the board affect the public health, safety, or welfare?

Response:

The Board of Accountancy should definitely be continued. This Board is responsible for licensing all Certified Public Accountants and registered accounting firms in the State of Tennessee. The Public depends on this Board to monitor and regulate the accounting

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profession and to ensure that licensees are well-qualified to handle the financial affairs of the citizens of this State.

Tennessee State Board of Accountancy

Complaint Information

<u>Status</u>	<u>FY 10</u>	<u>FY 11</u>
<u>Closed</u>	48	37
<u>In Legal</u>	10	19
<u>In Investigation</u>	<u>0</u>	<u>5</u>
<u>Total</u>	<u>58</u>	<u>61</u>

Type of Complaint

<u>Client Records</u>	6	2
<u>Continuing Professional Education</u>	6	7
<u>Discipline by Another Agency</u>	4	6
<u>Discreditable Acts</u>	12	17
<u>Failure to Renew</u>	8	12
<u>Litigation Outstanding</u>	0	3
<u>Prohibited Activities</u>	21	11
<u>Standards/Competence</u>	<u>1</u>	<u>3</u>
<u>Total</u>	<u>58</u>	<u>61</u>